A

File No. 429

19 31 .

Collection No. (11)

Mysore Residency

Bangalore. (17)

NC 27/6

Pros. Serial Nos. 60.

pg 29

Subject.

Budget estimate of the Mysore Assigned Tract for the year 1932-33.

Previous References.	**Later References.**
	F.No.295 of 1933.

S. 97.—(Blue).

MFP—168S&P—(M-184)—11-8-34—60,000.

NOTES AND PRECIS.

FILE No. 429 1931.

Section. File No.

Heading. Serial No.

NOTES.

DEPT. BRANCH.

Pros. 19 . Nos.

Subject.

Budget estimate of the Mysore Assigned Tract for the year 1932-33.

Notes and Orders.

S. 1.

MGIPC—FP—89DCFMis.—(2028)—13-6-25—3,00,000.

Bangalore Budget Estimates for 1932-33.

Please see Part II-B-Fresh charges of the Bangalore ---- Budget Estimates for 1932-33 in which the Hon'ble the ------ Resident proposed to finance the following schemes from the balance of the Bangalore share of Surplus Revenue:-

	Rs.
(1) Building grant to Goodwill Girls' High School	22,900/-
(2) Building grant to Srimathi Kamala Bai Girls' High School	16,000/-
(3) Building grant to Sacred Heart Boys' and Girls' School	13,330/-
(4) Grant-in-aid to the Home for the Aged., for the improvement of drains	5,960/-
(5) Minor Works for several offices in the Civil and Military Station, Bangalore...	9,400/-
	67,590/-

The Government of India were pleased to include in the sanctioned budget items (2) and (5) only. The remaining three items were not included.-vide S.N. 29 and 31/429-31. The Government of India were addressed in the matter in ---- S.N. 32 and 33/429-1931. No reply has yet been received from the Government of India. The file is submitted as ordered by the Secretary over the phone.

T. N. Thangavelu
Mudaliar.
28-7-1932.

Secretary.

Please see also the letter S.N. 26/429-1931, to which an answer is awaited.

28/7

Resident.

We must write in again, review once more the pertinent facts and say that as a new budget will shortly come under preparation, it is absolutely essential to get the whole matter cleared up while we have time to consider it dispassionately and detached from the budget and the financial situation of the Central Govt, which which it has absolutely no concern.

Point out the crying needs of the station which have been allowed to continue to a point where the neglect of Govt to remedy them have become a scandal. Tabulate them again and add the others which are just as urgent but which have been also unnecessarily held up, the net result being in disregard of the directions of the Secretary of State the well-being of the C and M Station has been subordinated, not as was feared at that time to the interests of the Mysore State, but to those of the Finance Dept of the Govt of India, in order, apparently, (vide their ? etc, etc,) for no other reason except that the Ways and Means position of the Govt of India should be bolstered up with monies that do not belong to them. I must apolgise for putting the matter thus strongly but I feel that this implication of the action of the Finance Dept must have escaped the notice of Govt. Otherwise, It wd have been impossible for them to have followed a line of policy, for reasons which the ordinary individual wd unhestitatingly stigmatise as dishonest.

Quote as only one example, the para from a report on the last year's working of the Goodwill Girl's High School to which I personally had the mortification to listen only yesterday, knowing full well that every word of the implied censure was more than fully justified. I must impress upon Govt the very grave responsibility they are incurring by inflicting hardships such as these upon important local institutions and their staff without any justification whatsoever. It wd be small wonder if the local opinion favoured the rendition of the station to the Mysore Govt. It is only their intense loyalty

to the British Government which prevents a movement in this direction and it is a poor reward to them that in days when the financial condition of the C and M station stands out in bright contrast, not only to its own past, but to the conditions prevailing elsewhere in India, the development of that station and of its Institut ons should be hampered and genuine suffering caused by the arbitary action of Govt in preventing the wise and necessary spending of money, which, if not spent thus, simply goes to swell the coffers of the Mysore State. This last aspect of the situation simply makes the attitude of the Govt of India all the more incomprehensible really.

7 Then review once more the financial position and show how sound it is and finally ask for an assurance that these grants may now go through and that for the future the demands of the C and M station will be treated on their own merits and not confused with the financial position of the Govt of India or other Govts, with which they have no concern. And finally ask, that if the Finance Dept are still unable to see eye to eye with me, the whole case may be placed before His Ex the Viceroy personally, as head of the Dept of Govt ultimately responsible for the well-being of the C and M station

G.T.C.D.
29.7

I will write a D.O. to the Secy & refer to my D.O. & Simla wallah.

G.T.C.D.
29.7

29/7

Paras 4 to 8 ante.

According to the datum line scheme, if money from the Assigned Tract share of surplus is not spent, it will only swell the Assigned Tract share of surplus. The Government of Mysore will not be benefited by this action.

Draft letter on the lines of the Resident's note is submitted for consideration.

T. N. Thangavelu
Mudaliar.
1-8-1932.

Secretary.

Confidential

1. c/o to F.A. for remarks if any in the draft. See Limit Clause of Govt. We have to give a recurring grant of Rs. 1 lakh for the T. Water supply on position is materially weakened?
G 2/8

THE HON'BLE THE RESIDENT'S TREASURY
No. 76
-4 AUG. 1932
BANGALORE.

H.Q. No. 5126
3rd August 1932

To

The Financial Adviser to the Hon'ble the Resident U.O.

The datum line has to be refixed in 1934-35. So we can be sure of our revenue only to end of 1933-34. The balance with us now is Rs.6,14,373/- (vide statement at end of para 6 of the draft). We may expect an addition of Rs.1,75,000/- to our share out of the revenue of the year 1933-34, provided the present rates of income-tax and surcharge continue. Otherwise we may expect an addition of Rs.1,50,000/-. So far as we can foresee the revenue position at present, I think our position would not be materially weakened even if we have to give a recurring grant

of

of Rs.1 lakh for the water supply.

S Krishnaswami
4.8.32

The Secretary to the Resident in Mysore, Bangalore, U.O.
Lr No. 48 / 4-8-32

Submitted for orders as to whether the draft may now issue?

T. N. Thangavelu
Madalias
4-8-1932.

Secretary.

I think Resident does not consider it necessary to mention all possible points in any letter. Water draft in this draft... draft is for consideration in this Residency

5/8

Resident excellent

G.T.C. 5.8

Submitted with Gen.
D.O. to Sri Chatterji is
at $\frac{4}{1}$.

Re 1931/2 estimate in chief.
Secy. pointed out that
Junior Agriculturists and
awaited from A.G. who
has been addressed but.
the difference either way
will not exceed ten Thousand.

5/8

Resident

Please let me know
what Govt cut
out of A.T. Budget
in 1931-32 & 32-33

G Reid

5.8

A statement showing the amounts cut out of the Assigned

Tract

Tract budget estimates during 1931-32 and 1932-33 is submitted

A sum of Rs. 38550/- was also surrendered to the --------
Government of India on account of economy campaign in the ----
Assigned Tract budget for 1931-32.

T. N. Thangavelu
Madalias
6-8-1932.

Secretary.

17

The Clerk means of course that the 38550 was credited to Govt Share of the surplus revenues.

Rendered

T.T. 6.8

Draft D.O. to the Chairman Puttur. I have also enclosed draft official, taking away a day or two, which may also amount to be sent.

S.N. 60 and 61. Issued Nos. 5293 & 5294, dated the 9th August, 1932.

D.O.No. 52 94

THE RESIDENCY,
BANGALORE.
Dated 9th August 1932.

MYSORE ASSIGNED TRACT BUDGET.

My dear Glancy,

8.N.32.
Secy H
1

Please see my demi-official letter No.1690 of the 5th March 1932 to Sir Charles Watson regarding the Mysore Assigned Tract budget for 1932-33.

The near approach of days when we will be preparing the budget for 1933-34 compels me to press Government once more to re-consider the correctness of their attitude in refusing to sanction the inclusion of various items of expenditure on [redacted] the grounds of a financial stringency which has no existence in the Mysore Assigned Tract.

I will not weary you with a re-iteration of what I have already written at various times in the official correspondence on this point, but I do very earnestly ask you to give the matter your close personal attention and bring what pressure you can to bear on the Finance Department

Department to recile from the attitude they have taken up in this matter, an attitude which, to the local critic here, seems to be based on no grounds that would stand a minute's investigation by an impartial tribunal. If your efforts are of no avail, then I must ask that the case should please be placed before His Excellency personally. Then, at least, I shall know that I have done all I can to see justice done to the Civil and Military Station.

In this connection I would invite your attention to the recent report of the General Purposes Retrenchment Sub-Committee on retrenchment in the Political Department. I have not yet seen the report, but to-day's Madras Mail reports them as having excluded the Bangalore Assigned Tract from their review on the grounds that a scrutiny of the expenditure of Bangalore "would not afford any relief to the average All-India tax-payer." I commend this dictum to the Finance Department : I

have

have struggled for 2 years to persuade them of its truth.

Yours sincerely,

G. F. M. o/c

The Hon'ble Mr. B. J. Glancy, C.I.E., I.C.S.,
Offg. Political Secretary to the Government of India,
Foreign & Political Department.

B.J. 8/8/32

BJ

SIMLA.

D.O. No. F.403-A/31.

The 14th October 1932.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
20 OCT 1932
Regd. No. 9449
File. No. 1-2913

My dear Burke

Please refer to the correspondence ending with your demi-official letter No. 5294, dated the 9th August 1932, regarding expenditure from the Assigned Tract revenues. I can assure you that the fact that expenditure from the Mysore Assigned Tract does not affect Central revenues especially so long as the Assigned Tract has a recurring and accumulated surplus is fully realised here and will be constantly kept in mind in dealing with your proposals for expenditure. The Government of India will consider each proposal on its merits and with due reference to the financial position of the Assigned Tract itself.

In regard however to the budget for 1932-33 I might tell you that one of the principal reasons for turning down some of your proposals was the necessity for conserving the resources of the Assigned Tract revenues, as it seemed from your references on the subject of the Bangalore Water Supply that the Government of India would shortly be called upon to make a grant-in-aid to the Municipality, the revenues of the Assigned Tract being inadequate for the purpose. In this connection I am to invite your attention to Foreign and

Political

8-N-6
690-31

Political Department letter No. 188-A/31, dated the 29th December 1931, in which you were informed that the Government of India would on no account be prepared to render any financial assistance for the water supply scheme, and that it was most important that you should explore avenues of economy in order to meet this and other contingent liabilities. In the face of this, it seemed difficult at the time of dealing with your budget proposals for 1932-33 to sanction some of your proposals for the Assigned Tract, while the Government of India were rejecting similar proposals from other administrations on grounds of stringency. Your letter of the 17th March 1932 stating that the demand for assistance for the water supply was by no means certain and that in any case the Assigned Tract revenues would be able to meet such a demand was received here long after the budget had been closed.

8-N-33

While it is true that expenditure from the Assigned Tract revenues will not affect the Central revenues so long as the expenditure is kept within reasonable bounds, you will no doubt agree that at a time when all provincial Governments and the Government of India have been compelled to limit their expenditure to absolute necessities, it might give rise

to

to criticisms and difficulties with the Mysore Darbar, if highly expensive programmes of expenditure are embarked upon from the Assigned Tract revenues. It is true that the Government of India and not the Mysore Darbar are the sole judge of the standard of expenditure to be incurred out of the Assigned Tract revenues, but even so it is highly desirable to avoid giving any handle at the next revision of the settlement to the Mysore Darbar who might argue that the very fact that the Assigned Tract is in a position to embark on programmes which have been denied to all other administrations proves the unfairness of the financial settlement from the point of view of the Darbar. You will, therefore, agree that some caution is necessary in proposing only such schemes as can be justified as necessary even in these days of stringency.

Yours sincerely,

H. J. Stanley

To

The Hon'ble Lieutenant-Colonel R.J.C. Burke,

Resident in Mysore.

Para 20 of the notes P.W.B.

D.O. letter No. F. 403-A/31, dated the 14th October, 1932, from the Hon'ble Mr. B.J.Glancy, Political Secretary to the Government of India, Foreign and Political Deptt.

A very fair reply. We can hardly hope for anything better.

Id. R.C.B.

Id. G.K.
20-10

19-10

× Please see S.N. 32, 33 and 60 and the notes in para 19.

The Political Secretary states that the Government of India will consider each proposal on its merits and with due reference to the financial position of the Assigned Tract itself.

No further action appears to be necessary. We may await the orders of the Government of India on the Fresh charges submitted with the Assigned Tract budget for 1933-34.

T. N. Thangavelu Mudaliar.
24-10-1932.

Secretary.

Put official letter N.D. & 9th this year and we should call during the interview & Mr. Lumsden in devising a reply.

25.

Rendel

I fancy they have "broken" a reply!

25.10

No. 5293
429-1931.

From

The Hon'ble Lieutenant Colonel R.J.C.Burke,
Resident in Mysore.

To

The Political Secretary to the Government of India,
Foreign and Political Department.

Dated Bangalore 9th August 1932.

MYSORE ASSIGNED TRACT BUDGET ESTIMATES.

Sir,

I have the honour to refer to the correspondence ending
S.N.33. with my letter No. 129-T/429-1931, dated the 17th March, 1932, regarding the Mysore Assigned Tract Revenues.

S.N.16/c 2. In the budget for 1932-33, I proposed, inter alia, the following grants from the Assigned Tract share of surplus revenues:-

	Rs.
Item (1).	
Building grant to Goodwill Girls' High School.	22,900/-
Item (2).	
Building grant to Sacred Heart Boys' and Girls' Schools, Bangalore.	13,330/-
Item (3).	
Grant-in-Aid to the Home for the Aged in Bangalore.	5,960/-
	42,190/-

Items (1) and (2).

S.N.29
429-31. In their letter No.D.45-R/32, dated the 27th January, 1932 the Government of India were of opinion that the same criterion as regards the control of expenditure should be applied in these cases as in others. As these schemes did not appear to them to be of an obligatory and un-avoidable character the Government of

India

India ordered that they should be postponed until financial conditions improve.

Item (3).

S.N.31. In their memorandum No. F.344-A/31, dated the 26th February 1932, the Government of India stated that having regard to the "Ways and Means" position of the Government of India, any economy in the Assigned Tract Revenues would give temporary relief to the Government of India. Therefore they were - compelled to delete the provision for the grant-in-aid to the Home for the Aged in Bangalore in the budget for 1932-33.

3. As the Mysore Assigned Tract budget for 1933-34 will shortly come under preparation, I consider that it is absolutely essential that the whole matter relating to Assigned Tract revenues should be cleared up, while we have time to consider it dispassionately, without reference to the budget or the financial situation of the Central Government, with which it has absolutely no concern.

4. The situation caused by the withholding of grants etc. by Government has led to the result that the well-being of the Civil and Military Station has been subordinated to the - interests of the Finance Department of the Government of India vide the memorandum No. F.344-A/31, quoted above, a line of policy, I suggest, entirely in contravention of the directions of the Secretary of State as contained in paragraph 3 of letter No.1541-A, dated the 7th January, 1925, from the Government of India in the Foreign and Political Department. S.N.135 211-1917 I feel sure that this implication of the action of the Finance Department must have escaped the notice of Government, otherwise it is unlikely that they would have followed a line of action which cannot be defended on any grounds.

5. I quote below, as only one example, a paragraph from a report on the last year's working of the Goodwill Girls'

High

High School to which I personally had the mortification to listen on the 28th July 1932, knowing full well that every word of the implied censure was more than fully justified:-

"Indeed our great need for all the different sections of the building scheme, sanctioned two years ago by the Home Committee of our Missionary Society, but entirely held up until Government Grant also becomes available, cannot be exaggerated. Perhaps our resident teachers are the greatest sufferers, they wait patiently for their promised bed-rooms, kitchen and common room, and crowd in with the children. But the difficulty of finding class-room accommodation is as great. At this time last year three classes were being held in rooms of the Principal's bungalow. When that building was pronounced unsafe, and three rooms were demolished, all those children had to be crowded in somewhere in the school building. At present we have classes in dining room, sick room, matrons' bed room and girls' dormitary and verandah, besides the fact that two classes, that we should like to divide into two sections because they are too big for one room and one teacher, cannot be divided because there is really no place for another class. It does not comfort us much to reflect that in the present state of world finance, educational institutions in many countries are similarly handicapped".

I must impress upon Government the very grave responsibility they are incurring by inflicting hardships such as these upon important local institutions and their staff without, having regard to local financial conditions, any justification whatsoever. As I have so often attempted to make clear to Government there is no financial stringency here. On the contrary the financial condition of the Civil and Military Station stands out in bright contrast, not only to its own past, but to the conditions prevailing elsewhere in India. In the circumstances it is impossible to explain to local critics why the development of the Station and of its Institutions should be hampered

hampered and genuine suffering caused by the arbitrary action of Government in preventing the wise and necessary spending of money, which, if not spent thus, simply goes to swell the Assigned Tract share of surplus revenues far beyond the necessary margin of safety. Further, it is clear that such a policy will only strengthen the Mysore Government's claim for reduction of the datum line of 13 lakhs and one-fourth of the surplus over that line received by the Tract, when the question of the revision of the terms of settlement comes under consideration next year.

6. How sound is the financial condition of the Tract may be gauged from the following figures:-

Year.	Total revenue of the Civil & Military Station, Bangalore.	Total expenditure of the Civil & Military Station, Bangalore, including 1/3rd of the Residency charges.	Surplus.	¾ths of the surplus over datum line of 13 lakhs paid to Mysore Government.	Balance of the surplus available for Civil & Military Station, Bangalore.
	Rs.	Rs.	Rs.	Rs.	Rs.
1924-25 Actuals.	18,89,367	13,07,274	5,82,093	4,42,025	1,40,068
1925-26 Actuals.	17,22,081	12,52,987	4,69,094	3,16,561	1,52,533
1926-27 Actuals.	15,67,106	12,52,728	3,14,378	2,00,329	1,14,049
1927-28 Actuals.	15,41,320	12,67,915	2,73,405	1,80,990	92,415
1928-29 Actuals.	16,28,073	12,41,334	3,86,739	2,46,084	1,40,655
1929-30 Actuals.	16,88,976	12,35,032	4,53,943	2,91,731	1,62,212
1930-31 Actuals.	17,43,797	12,90,773	4,53,024	3,32,848	1,20,176
1931-32 (Revised estimate).	16,40,548	12,08,446	4,32,102	2,55,411	1,76,691
1932-33 (Revised estimate).	18,62,078	12,64,652	5,97,426	4,21,559	1,75,866
				C.O.	12,74,695

		Rs.
	B.F.	12,74,695
Deduct:- Expenditure incurred out of the Bangalore share of surplus revenues		
in 1927-28 (Actuals).	22,735	
1928-29 "	1,08,104	
1929-30 "	1,80,662	
1930-31 "	2,33,855	
1931-32 (Revised estimate).	87,300	
1932-33 "	25,400	
		6,58,056
	Balance available.	6,16,639

It is proposed to set aside a sum of Rs.1,50,000/- as reserve and keep a working balance of Rs.50,000/- i.e., Rs.2,00,000/- in all.

7. In the circumstances I request that the Government of India may be pleased to give me an assurance that the schemes referred to above and others of like nature may now go through and that for the future the demands of the Civil & Military Station will be treated on their own merits and not confused with the financial position of the Government of India or other Governments, with which they have no concern. In conclusion I request that if the Finance Department are still unable to see eye to eye with me, the whole case may be placed before His Excellency the Viceroy personally, as Head of the Department of Government ultimately responsible for the well-being of the Civil and Military Station, Bangalore.

I have the honour to be,
Sir,
Your most obedient servant,

Lieut. Col.,
RESIDENT.

8/8/32

BJ